



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Issued by the Department of Transportation on August 12, 2004

NOTICE OF ACTION TAKEN -- DOCKET OST 2002-13861

This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Joint Applicants: **American Airlines, Inc. and British Airways Plc**

Date Filed: November 18, 2002, as supplemented

By Order 2003-5-33 we finalized, with certain modifications, our tentative findings and conclusions in show-cause Order 2003-4-7, and granted the joint application of American Airlines, Inc., British Airways Plc, and certain of their affiliates, for the necessary regulatory authorities to conduct a number of reciprocal code-share services, subject to conditions. We deferred action on that portion of the request that would have allowed two of British Airways' affiliates, British Airways CitiExpress Limited and British Airways CitiExpress (Isle of Man), to display the code, and carry the traffic of American Airlines on their otherwise authorized flights, because at that time American had not yet conducted safety audits of those British Airways affiliates under the Department's Code-Share Safety Program, and made its audit reports available to the Federal Aviation Administration for review (Order 2003-5-33 at 10).

The FAA has advised us that British Airways has now completed its safety audit of British Airways CitiExpress Limited; that the FAA has reviewed American's audit report; and that the FAA has no objection to our acting on the outstanding portion of the application as it pertains to that carrier. (The FAA advice did not extend to British Airways CitiExpress (Isle of Man).)

Applicant representatives: Carl Nelson (for American), 202-496-5647; and Don Hainbach (for British Airways), 202-776-3976.

DOT analyst: George Wellington, 202-366-2390

DISPOSITION

In light of the advice from the FAA concerning British Airways CitiExpress Limited, we are amending the authority we granted in Order 2003-5-33 to allow British Airways CitiExpress to display the code of American Airlines on its services otherwise authorized by that order.¹ Specifically, we are amending Ordering Paragraphs 2 (c) and 3, and adding a new section (d) to Ordering Paragraph 2, to read as follows:

(c) British Airways CitiExpress Limited and British Airways CitiExpress (Isle of Man) Limited may display the code of British Airways Plc on their flights, carrying traffic moving in foreign air transportation, between points in the United Kingdom; and between points in the United Kingdom and points in third countries, either nonstop or via third-country intermediates;

(d) British Airways CitiExpress Limited may display the code of American Airlines, Inc. on its flights, carrying traffic moving in foreign air transportation, between points in the United Kingdom; and between points in the United Kingdom and points in third countries, either nonstop or via third-country intermediates; *provided*, that British Airways CitiExpress (Isle of Man) Limited may not display the code of American on any of its flights pending further order of the Department;

¹ We will continue to defer action on the application as it pertains to the request of the other British Airways affiliate, British Airways CitiExpress (Isle of Man), to display American's code, as we have no information that American has conducted the necessary safety audit of that carrier.

3. We defer action on the joint application to the extent that British Airways CitiExpress (Isle of Man) Limited seeks to display the code of American on any of its flights;

Our action is subject to all other applicable terms, conditions, and limitations contained in Order 2003-5-33. Our action is effective immediately, for a term coextensive with the duration of authority set forth in that Order 2003-5-33.

**Action taken by: Paul L. Gretch, Director
Office of International Aviation**

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) our action was consistent with Department policy; (2) grant of the authority was consistent with the public interest; and (3) grant of the authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975. We may amend, modify, or revoke the authority granted in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the action set forth in this Notice under the Department's regulations, 14 CFR §385.30, may file their petitions within seven (7) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for review will not alter such effectiveness.

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